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AUTHOR Vanderheyden, Bob
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ABSTRACT

In 1993, the College and University Personnel Association (CUPA) published the results of their "1992-93 Administrative Compensation Survey," which contains salary figures for 136 administrative positions. A match of CUPA titles with those used by the North Carolina Community College System (NCCCS) revealed that 26 of the positions on the CUPA list can be found at institutions within the NCCCS. None of the NCCCS positions reported have more than 40% of salaries that fall above the 60th percentile of the national sample, leading to the conclusion that none of the NCCCS positions are overcompensated. On the other hand, only two positions do not meet criteria for undercompensation: Chief Executive Officer (President) and Chief Business Officer. Additionally, 16 out of 26 positions have more than 75% of the salaries falling below the 40th percentile. The efforts of the North Carolina State Board of Community Colleges in raising presidents' salaries to be on par with the nation are validated by these results, but salaries for other administrative positions are significantly below the national average. (KP)

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Salaries of Administrators in the North Carolina Community College System. Research Brief

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RESEARCH BRIEF

February 1994 No. 1994-04

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SALARIES OF ADMINISTRATORS IN THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

In its 1989 session, the North Carolina General Assembly adopted a provision (S.L. 1989; C. 752; S. 80) which mandated that:

> "The State Board of Community Colleges shall develop a 'Critical Success Factors' list to define statewide measures of accountability for all community colleges. Each college shall develop an institutional effectiveness plan, tailored to the specific mission of the college. This plan shall be consistent with the Southern Association of Colleges and Schools criteria and provide for collection of data as required by the 'Critical Success Factors' list."

The subsequent 'Critical Success Factors' list adopted by the North Carolina State Board of Community Colleges, in July of 1989, includes institutional salaries (Factor II- Resources, Measure A). Faculty Salaries for the southeast region have been available for several years and North Carolina community college faculty salaries as a percentage of the southeast region have been an integral part of the annual Critical Success Factors report.

Data:

In 1993, College and University Personnel Association (CUPA) published the results of their "1992-93 Administrative Compensation Survey." The CUPA report contains national quintile and median salary figures for 136 administrative positions. Aggregated data like the ones reported in the CUPA report can be used as reference points to indicate differences or deviations from the population reported. Due to the unknown distribution of the original disaggregated data, conclusions for equivalence are difficult.

While many of the positions listed in the CUPA report do not exist in the North Carolina Community College System, 26 of the positions can be found at institutions within the system. A match of CUPA titles with those used by North Carolina community colleges was performed using the "Institutional Staff Information Data" on North Carolina Community Colleges.

Methodology:

There are two standard measures of "average" or "mid-point" that are used in this type of analysis. These measures are mean and median.

By definition, the mean of n values is the sum of the values divided by n. This measure can be influenced by "outliers,"[1] which tend to occur in salary data.

For example, if one group of five individuals has salaries of $25,000 (for two individuals), $30,000 (for one individual), $35,000 (for one individual), $40,000 (for the remaining individual) while the salaries for another group of five individuals are $25,000 (for two individuals), $30,000 (for 1 individual), $35,000 (for one individual) and $75,000 (for the remaining individual). The mean salary for the first group is $31,000 while the mean salary for the second group is $38,000. One would like to infer that the second group is better compensated (by over 20 percent) than the first, but the individual salaries in the two groups only differ by the highest value ($40,000 versus $75,000).

By definition, the median of n values that are arranged in numerical order is:

> When n is odd, the median is the value of the item that is in the middle.
>
> When n is even, the median is the mean of the two items that are nearest the middle.[2]

More simply stated, the median is simply a place holder that is determined by the values of the data. If the number of different data values is relatively small, the interval between the two data values adjacent to the median (i.e., next highest and next lowest) can be relatively large. This effect could make the comparison of two medians a difficult task.

The median salary values for the groups in the above example would be equal ($30,000). Hence, the median value tends to be a better measure for data that may contain "outliers." However, the use of median values has some associated limitations or problems. One of the most critical problems lies within the definition of median.

For the above example, the individual in each group with the median salary could have earned between $25,001 and $34,999 without causing a change in the numerical order of the salaries. These different values of the median for group one would have lead to significantly different interpretations of the comparison of salaries for the two groups.

Several other similar interpretation errors may occur due to a small number of data values. To minimize the possibility of error due to the idiosyncrasies of the median value, this study will examine the proportion of individuals whose earnings fall below the fortieth percentile[3] and proportion of individuals whose earnings lies above the sixtieth percentile[4].

If the North Carolina community colleges are compensating their administrative personnel on par with the nation, these two measures should both be approximately 40 percent. However, if each of these measures is 40 percent one cannot conclude that administrators in North Carolina are

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[1] Unusually high or low values that are relatively few in number.

[2] "Statistics a First Course," Fifth Edition, John E. Freund and Gary A. Simon, Prentice Hall, 1991, p.46.

[3] The data value below which at least 40 percent of the data values fall.

[4] The data value below which at least 60 percent of the data values fall.

compensated on par with the nation. This situation follows the classical reasoning of "an apple is a piece of fruit, but a piece of fruit is not necessarily an apple."

To conservatively estimate potential under compensation, this study will require that over 60 percent[5] of the individuals in a given administrative position fall below the national fortieth percentile for a conclusion of a tendency to under compensate for the given position. Similarly, a conservative conclusion of over compensation will result from 60 percent or more of the individuals in a given administrative position having income above the national sixtieth percentile.

These definitions do not imply that positions, for which neither of the above criteria are met, are compensated at the national level. Simply stated, in such a case, the results are inconclusive; the data do not indicate under compensation nor over compensation.

Due to the variations in administrative structure that can be found among community colleges nationally as well as within the state of North Carolina, matching administrative titles between any two institutions is not an easy task. However, for the purposes of their survey, researchers at CUPA established relatively broad definitions for the positions reported in their report. Due to the broad nature of these definitions, the salaries for the reported positions can be matched with defined positions within the North Carolina Community College System.

As can be seen in the following table, none of the positions reported have more than 40 percent of salaries that fall above the sixtieth percentile. One can conclude that the data do not indicate that any of the administrative positions reported are over compensated.

On the other hand, only two positions do not meet the definition of under compensation. These positions are Chief Executive Officer (President), and Chief Business Officer. Additionally, 16 out of 26 positions have more than 75 percent of the salaries falling below the fortieth percentile.

The efforts of the North Carolina State Board of Community Colleges, with assistance from the North Carolina Legislature, in raising Presidents' salaries to be on par with the nation are validated by these results, but salaries for other administrative positions are significantly below the national figures.

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[5] If the number of individuals in the given administrative position is five or more.

MEDIAN SALARIES OF NORTH CAROLINA COMMUNITY COLLEGE ADMINISTRATORS AND PERCENT BELOW THE NATIONAL FORTIETH PERCENTILE AND PERCENT ABOVE THE NATIONAL SIXTIETH PERCENTILE IN 1992-93

North Carolina Number	% Below U.S. 40th Percentile	% Above U.S. 60th Percentile	Position Title	U.S. 40th Percentile	U.S. 60th Percentile
58	29	40	Chief Executive Officer (President)	79,981	88,011
20	85	10	Executive Vice President	67,912	73,634
52	38	12	Chief Business Officer	58,275	64,998
20	65	15	Administrator-Accounting/Controller	41,000	46,240
21	71	14	Management/Supervising-Accounting	34,215	39,460

(Table Continued)

North Carolina Number	% Below U.S. 40th Percentile	% Above U.S. 60th Percentile	Position Title	U.S. 40th Percentile	U.S. 60th Percentile
12	92	8	Mgmt/Research/Devel/Plan/Effect	42,500	49718
49	82	2	Chief Instructional Officer	61,488	66,584
10	70	0	Administrator-Vocational	50,595	57,360
38	63	11	Administrator-Learning Resources	42,480	49,741
45	80	11	Chief Student Affairs/Services Officer	54,388	60,443
36	86	3	Administrator-Student Services	50,484	56,570
54	80	6	Financial Aid Officer	35,914	41,248
56	88	2	Registrar/Admissions	42,340	47,000
54	96	2	Management/Plant Operations	40,000	46,598
10	70	20	Administrator-Computer Center	45,981	52,268
50	94	6	Computer Systems Administrator	44,298	49,317
20	75	15	Institutional Development Officer	35,500	39,741
26	69	23	Institutional Research	35,828	37,176
30	80	3	Public Information	37,883	45,607
18	100	0	Personnel Officer	43,244	51,622
16	75	6	Purchasing	32,345	37,237
44	98	0	Printing	25,987	30,300
70	63	19	Accounting-low	23,763	26,124
29	86	0	Accounting-high	30,416	34,124
48	79	10	Computer Programmer-low	27,137	29,937
17	88	12	Computer Programmer-high	30,500	35,175

Bob Vanderheyden
N.C. Department of Community Colleges
200 W. Jones Street
Raleigh, NC 27603-1337
919/733-7051, ext. 737

Planning & Research
N.C. Dept. of Community Colleges

Kathryn Baker Smith, Assoc. Vice President
Bob Vanderheyden, Director of Research
Keith Brown, Coordinator of Institutional Planning
Paul Nagy, Coordinator of Special Projects
Brenda Splawn, Statistical Research Assistant
Millicent Locklear, Office Assistant

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